to the emphatic endorsement of the cause of labor in Sun Yat-sen's *San Min Chu L* Several local governments and war lords have issued regulations for the protection of labor. Although thus far none of these efforts has obtained more than comparatively slight results, it is probable that conditions in modern factories, in both hours and sanitation, have averaged somewhat better than those under the handicraft system. Appalling abuses, for example, were disclosed a few years ago in the rug industry in Peking, where the old order persisted. When all that can be brought forward for conditions in the modern factories in China has been said, however, the fact remains that on the average the workers have cause for complaint.

How rapidly the introduction of Western machinery will proceed must be a matter of conjecture. It is not without serious obstacles. Domestic capital is comparatively scarce and foreign capital is usually reluctant to enter because of the risk entailed by unsettled political conditions and the uncertainty of the future legal status of the foreigner. Laws and the administration of justice are highly undependable. The chronic civil war has discouraged the development of factories by either foreigners or Chinese. The Chinese do not yet produce much of the new machinery. Although, judged by Western standards, wages are ridiculously low, inefficiency is also marked. Even were a higher standard of living achieved by the laborer, it would probably be several generations before sufficient experience in operating the new type of machine could be attained to make the Chinese factory hands equal in skill and output to those of the West. It is, moreover, quite apparent that as yet comparatively few Chinese are operat-

ing successfully the stock company, through which the industrialization of the West has been achieved. Family loyalty is traditionally so strong that many a Chinese sees no turpitude in making sinecure positions for kinsmen in the company of which he is president or director—or in other ways doing what in the West would be regarded as defrauding the stockholders. Therefore, in spite of notable and probably increasing exceptions, in Chinese hands, unless it is in reality a family affair, the stock company is for some time to come likely to prove a failure. As yet, moreover, the deficiencies in the transportation system and the currency of the country—to be elaborated a few pages farther on—make